

**NEW ALBANY COMMUNITY
FOUNDATION**

FINANCIAL STATEMENTS

June 30, 2013 and 2012

NEW ALBANY COMMUNITY FOUNDATION

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Albany Community Foundation as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

John Gerlach & Company LLP

Columbus, Ohio
November 7, 2013

NEW ALBANY COMMUNITY FOUNDATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2013 and 2012

| | <u>2013</u> | <u>2012</u> |
|--|----------------------|---------------------|
| ASSETS: | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 84,658 | \$ 117,558 |
| Pledges receivable, net of allowance of \$23,060 and \$13,620 for 2013 and 2012, respectively | 304,940 | 247,330 |
| Prepaid expenses | 4,512 | 110,225 |
| Total Current Assets | <u>394,110</u> | <u>475,113</u> |
| Non-current Assets: | | |
| Pledges receivable, net of allowance of \$20,540 and \$21,980 for 2013 and 2012, respectively | 517,719 | 446,701 |
| Office equipment - net of accumulated depreciation of \$18,991 and \$15,777 for 2013 and 2012, respectively | 18,978 | 22,192 |
| Beneficial interest in assets held by others | 9,746,355 | 8,135,295 |
| Total Non-current Assets | <u>10,283,052</u> | <u>8,604,188</u> |
| TOTAL ASSETS | <u>\$ 10,677,162</u> | <u>\$ 9,079,301</u> |
| LIABILITIES AND NET ASSETS: | | |
| Current Liabilities: | | |
| Accounts payable | \$ 9,425 | \$ 38,584 |
| Accrued expenses | 55,492 | 340 |
| Organization endowment funds held for others | 195,135 | 177,398 |
| Total Liabilities | <u>260,052</u> | <u>216,322</u> |
| Net Assets: | | |
| Unrestricted | 9,394,451 | 7,988,578 |
| Temporarily restricted | 1,022,659 | 874,401 |
| Total Net Assets | <u>10,417,110</u> | <u>8,862,979</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 10,677,162</u> | <u>\$ 9,079,301</u> |

See Notes to Financial Statements

NEW ALBANY COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2013

| | Unrestricted | Temporarily Restricted | Total |
|--|---------------------|---------------------------|----------------------|
| REVENUE AND SUPPORT: | | | |
| Contributions | \$ 1,232,248 | \$ 374,734 | \$ 1,606,982 |
| Special events - contributions | 1,285,768 | 200,000 | 1,485,768 |
| Interest income | 40 | - | 40 |
| Donated services | 13,595 | - | 13,595 |
| Increase (decrease) in beneficial interest in assets held by others | 510,539 | - | 510,539 |
| Other income | 825 | - | 825 |
| Net assets released from restrictions | 426,476 | (426,476) | - |
| Total Revenue and Support | <u>3,469,491</u> | <u>148,258</u> | <u>3,617,749</u> |
| EXPENSES: | | | |
| Grants approved | 1,232,440 | - | 1,232,440 |
| Salaries and benefits | 177,641 | - | 177,641 |
| Occupancy expenses | 34,496 | - | 34,496 |
| Advertising and promotion | 77,956 | - | 77,956 |
| Insurance | 4,762 | - | 4,762 |
| Travel, entertainment and memberships | 8,721 | - | 8,721 |
| Consulting services | 6,521 | - | 6,521 |
| Special events expenses | 455,924 | - | 455,924 |
| Depreciation | 3,214 | - | 3,214 |
| Uncollectible contributions | 12,500 | - | 12,500 |
| Other | 49,443 | - | 49,443 |
| Total Expenses | <u>2,063,618</u> | <u>-</u> | <u>2,063,618</u> |
| CHANGE IN NET ASSETS | <u>1,405,873</u> | <u>148,258</u> | <u>1,554,131</u> |
| NET ASSETS AT BEGINNING OF YEAR | 7,988,578 | 874,401 | 8,862,979 |
| NET ASSETS AT END OF YEAR | <u>\$ 9,394,451</u> | <u>\$ 1,022,659</u> | <u>\$ 10,417,110</u> |

See Notes to Financial Statements

NEW ALBANY COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

| | Unrestricted | Temporarily Restricted | Total |
|--|---------------------|---------------------------|---------------------|
| REVENUE AND SUPPORT: | | | |
| Contributions | \$ 593,975 | \$ - | \$ 593,975 |
| Special events - contributions | 526,230 | 160,664 | 686,894 |
| Interest income | 32 | - | 32 |
| Donated services | 12,965 | - | 12,965 |
| Increase (decrease) in beneficial interest in assets held by others | (235,049) | - | (235,049) |
| Other income | 52,000 | - | 52,000 |
| Net assets released from restrictions | 431,215 | (431,215) | - |
| Total Revenue and Support | <u>1,381,368</u> | <u>(270,551)</u> | <u>1,110,817</u> |
| EXPENSES: | | | |
| Grants approved | 352,299 | - | 352,299 |
| Salaries and benefits | 172,505 | - | 172,505 |
| Occupancy expenses | 33,871 | - | 33,871 |
| Advertising and promotion | 82,760 | - | 82,760 |
| Insurance | 4,678 | - | 4,678 |
| Travel, entertainment and memberships | 8,242 | - | 8,242 |
| Consulting services | 1,885 | - | 1,885 |
| Special events expenses | 296,261 | - | 296,261 |
| Depreciation | 2,304 | - | 2,304 |
| Uncollectible contributions | 43,750 | - | 43,750 |
| Other | 33,194 | - | 33,194 |
| Total Expenses | <u>1,031,749</u> | <u>-</u> | <u>1,031,749</u> |
| CHANGE IN NET ASSETS | <u>349,619</u> | <u>(270,551)</u> | <u>79,068</u> |
| NET ASSETS AT BEGINNING OF YEAR | 7,638,959 | 1,144,952 | 8,783,911 |
| NET ASSETS AT END OF YEAR | <u>\$ 7,988,578</u> | <u>\$ 874,401</u> | <u>\$ 8,862,979</u> |

See Notes to Financial Statements

NEW ALBANY COMMUNITY FOUNDATION

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2013 and 2012

| | <u>2013</u> | <u>2012</u> |
|---|-------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 1,554,131 | \$ 79,068 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 3,214 | 2,304 |
| Uncollectible contributions | 12,500 | 43,750 |
| Changes in Assets and Liabilities: | | |
| (Increase) decrease in pledges receivable | (141,128) | 223,781 |
| (Increase) decrease in prepaid expenses | 105,713 | (65,756) |
| Increase in beneficial interest in assets held by others | (1,611,060) | (268,839) |
| Increase (decrease) in accounts payable | (29,159) | 25,960 |
| Increase (decrease) in accrued expenses | 55,152 | (451) |
| Increase (decrease) in organization endowment funds held for others | 17,737 | (25,321) |
| Net Cash Provided (Used) by Operating Activities | <u>(32,900)</u> | <u>14,496</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of office equipment | - | (11,044) |
| Net Cash Provided (Used) by Investing Activities | <u>-</u> | <u>(11,044)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | <u>(32,900)</u> | <u>3,452</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 117,558 | 114,106 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u><u>\$ 84,658</u></u> | <u><u>\$ 117,558</u></u> |

See Notes to Financial Statements

NEW ALBANY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Foundation - The New Albany Community Foundation (the Foundation) is a community foundation established in 1995 for the receipt and distribution of charitable funds primarily in the New Albany area.

Basis of Accounting - The financial statements of the Foundation are prepared using the accrual method of accounting, which means that revenues are recognized as they are earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

Use of Estimates - The preparation of the financial statements of the Foundation in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as their related disclosures. Such estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation - The Foundation is required to report information regarding its financial position and activities according to three net asset classes: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Foundation had no permanently restricted net assets at June 30, 2013 and 2012.

Recognition of Donor Restrictions - Donor restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Income Taxes - The Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements include no provision for income taxes.

The Foundation has adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) relating to uncertain tax positions. The Foundation does not believe its financial statements include any uncertain tax positions. With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. federal, state and local tax authorities for years before 2009.

Cash and Cash Equivalents - The Foundation considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in these accounts.

Pledges Receivable - Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts are computed using risk-free interest rates of 2% for both 2013 and 2012.

NEW ALBANY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Office Equipment – Office equipment is reported at cost less accumulated depreciation which is computed using the straight-line method over the estimated useful lives of the assets.

2. PLEDGES RECEIVABLE

Unconditional pledges receivable consist of the following:

| | 2013 | 2012 |
|--|-------------------|-------------------|
| Gross unconditional pledges receivable | \$ 903,000 | \$ 762,950 |
| Less - Unamortized discount | (36,741) | (33,319) |
| Less - Allowance | (43,600) | (35,600) |
| Net Unconditional Pledges Receivable | <u>\$ 822,659</u> | <u>\$ 694,031</u> |
| Amounts Due In: | | |
| Less than one year | \$ 304,940 | \$ 247,330 |
| One to five years | 477,719 | 406,701 |
| Greater than five years | 40,000 | 40,000 |
| Total | <u>\$ 822,659</u> | <u>\$ 694,031</u> |

3. GRANTS

Grants approved and paid during the year ended June 30, 2013 and those committed for future payment consist of the following at June 30, 2013:

| | Unpaid Balance June 30, 2012 | Approved | Paid | Unpaid Balance June 30, 2013 |
|---------------------|---------------------------------------|---------------------|---------------------|---------------------------------------|
| Education | \$ - | \$ 99,490 | \$ 99,490 | \$ - |
| Arts and Humanities | - | 427,819 | 427,819 | - |
| Environment | - | 76,850 | 76,850 | - |
| General | - | 21,000 | 21,000 | - |
| Health | - | 607,281 | 607,281 | - |
| Total | <u>\$ -</u> | <u>\$ 1,232,440</u> | <u>\$ 1,232,440</u> | <u>\$ -</u> |

NEW ALBANY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3. GRANTS (Continued)

Grants approved and paid during the year ended June 30, 2012 and those committed for future payment consist of the following at June 30, 2012:

| | Unpaid Balance June 30, 2011 | Approved | Paid | Unpaid Balance June 30, 2012 |
|---------------------|---------------------------------------|-------------------|-------------------|---------------------------------------|
| Education | \$ - | \$ 152,499 | \$ 152,499 | \$ - |
| Arts and Humanities | - | 199,800 | 199,800 | - |
| Total | <u>\$ -</u> | <u>\$ 352,299</u> | <u>\$ 352,299</u> | <u>\$ -</u> |

4. FUNCTIONAL EXPENSES

Functional expenses of the Foundation are as follows:

| | 2013 | 2012 |
|------------------------|---------------------|---------------------|
| Program Services | \$ 1,356,704 | \$ 469,173 |
| Management and General | 58,803 | 86,980 |
| Fundraising | 193,387 | 183,659 |
| Special Events | 454,724 | 291,937 |
| Total | <u>\$ 2,063,618</u> | <u>\$ 1,031,749</u> |

NEW ALBANY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

5. FUNDS HELD BY THE COLUMBUS FOUNDATION

Contributions received by New Albany Community Foundation are transferred to funds held at The Columbus Foundation for the use of New Albany Community Foundation. These funds are subject to the variance power of the Board of Trustees of The Columbus Foundation. The variance power permits The Columbus Foundation's Board of Trustees, in its sole discretion to redirect all or part of the funds' income and assets to another organization.

| | 2013 | 2012 |
|---|---------------------|---------------------|
| Balance at beginning of year | \$ 8,135,295 | \$ 7,866,456 |
| Net transfers (to) from New Albany Community Foundation | 1,100,521 | 503,888 |
| Net investment income | 68,283 | 103,099 |
| Net realized and unrealized gains (losses) | 442,256 | (338,148) |
| Balance at end of year | <u>\$ 9,746,355</u> | <u>\$ 8,135,295</u> |

Components of these funds are as follows:

General Philanthropy

| | | |
|---|----------------|----------------|
| DeAscentis Family Fund | \$ 208,801 | \$ 151,116 |
| New Albany Community Foundation Fund | 233,260 | 217,279 |
| New Albany Realty Association Fund | 60,619 | 56,930 |
| New Albany Women's Network Endowment Fund | 123,417 | 110,214 |
| Fixari Family Endowment Fund | 10,981 | 10,276 |
| Krebs Family Fund | 14,989 | - |
| | <u>652,067</u> | <u>545,815</u> |

Arts and Culture

| | | |
|---|-----------|-----------|
| Endowment for Arts and Sciences Program Fund | 5,571,754 | 4,769,995 |
| Ralph A. Johnson Endowment Fund | 64,702 | 85,562 |
| Helena McComb Memorial Endowment | 109,536 | 105,032 |
| Mershad Family Fund | 327,566 | 270,128 |
| Lucas Arts Programming Endowment | 175,126 | 113,685 |
| Ellen and David Ryan Fund for Arts and Sciences | 76,478 | 71,506 |
| Ryan Family Fund | 74,545 | 58,326 |
| Patricia and Yaromir Steiner Fund | 128,154 | 110,422 |
| Ron Cadieux and Sandy Rains Family Fund | 67,551 | 63,213 |
| Clan Cameron Art Center | 15,379 | 14,376 |
| Arlene and Michael Weiss Endowment | 31,017 | 24,095 |
| The C. Charleen Hinson Fund | 188,626 | 79,350 |
| Berend Family Endowment Fund | 30,476 | 34,112 |
| Carolyn and Lance White Family Endowment | 21,149 | 12,023 |
| Abercrombie and Fitch Fund | 32,832 | 30,637 |
| Jody and Joel Altschule Endowment Fund | 10,704 | 9,989 |

NEW ALBANY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

5. FUNDS HELD BY THE COLUMBUS FOUNDATION (Continued)

| | 2013 | 2012 |
|--|---------------------|---------------------|
| <u>Arts and Culture (continued)</u> | | |
| Charlie and Shannan Dankworth Fund | 11,079 | 10,337 |
| Lucas Family Foundation Fund | 17,399 | 16,235 |
| Paul and Jennifer Naumoff Family Fund | 14,609 | 9,641 |
| | <u>6,968,680</u> | <u>5,888,664</u> |
| <u>Education</u> | | |
| The Kathryn Borghi Memorial Fund | 73,982 | 69,038 |
| Captain Carwash Entrepreneurial Enrichment Fund | 27,857 | 26,093 |
| Connor and Avery Hinson Fund | 5,003 | 5,956 |
| New Albany Branch Library Fund | 65,671 | 66,612 |
| Leslie Wexner Leadership Academy | 7,498 | 7,796 |
| Jon Pryor Environmental Scholarship Fund | 27,407 | 26,555 |
| New Albany Education Foundation Fund | 102,152 | 87,462 |
| New Albany Athletic Booster's Turf Field Fund | 84,661 | 158,184 |
| Jo Ann and Scott Johnson Family Fund | 12,634 | - |
| | <u>406,864</u> | <u>447,696</u> |
| <u>Health and Wellness</u> | | |
| Eagles Nest Playground Fund | 31,702 | 29,696 |
| New Albany Surgical Hospital Foundation Fund | 21,206 | 22,028 |
| New Albany Walking Club and Wellness Fund | 789,987 | 549,057 |
| Huntington Bank Fund | 39,974 | - |
| | <u>882,869</u> | <u>600,781</u> |
| <u>Historic Preservation</u> | | |
| William H. Resch Endowment Fund | 23,575 | 11,444 |
| New Albany - Plain Twp Historical Ealy House Sustaining Fund | 71,718 | 67,184 |
| | <u>95,293</u> | <u>78,628</u> |
| <u>Administrative</u> | | |
| New Albany Community Foundation Reserve Fund | 217,728 | 226,278 |
| New Albany Community Foundation Operating Fund | 522,854 | 347,433 |
| | <u>740,582</u> | <u>573,711</u> |
| Total | <u>\$ 9,746,355</u> | <u>\$ 8,135,295</u> |

NEW ALBANY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

6. NET ASSETS

Temporarily restricted net assets consist of the following:

| | <u>2013</u> | <u>2012</u> |
|-------------------------|---------------------|-------------------|
| Time restricted - other | \$ 1,022,659 | \$ 874,401 |
| Total | <u>\$ 1,022,659</u> | <u>\$ 874,401</u> |

7. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

| | <u>2013</u> | <u>2012</u> |
|----------------------------------|-------------------|-------------------|
| Satisfaction of time restriction | \$ 426,476 | \$ 431,215 |
| Total | <u>\$ 426,476</u> | <u>\$ 431,215</u> |

8. ORGANIZATION ENDOWMENT FUND HELD FOR OTHERS

Organization endowment funds held for others consist of two funds, the New Albany Women's Network Endowment Fund and the New Albany Plain Township Historical Society Sustaining Endowment. The Foundation maintains variance power and legal ownership of organization endowment funds, and as such, reports the funds as assets of the Foundation. However, in accordance with the Not-for-Profit Entities Topic of the FASB ASC, a liability has been established, which is equivalent to fund's current fair market value.

9. ASSETS AND LIABILITIES – FAIR VALUE INFORMATION

In accordance with the Fair Value Measurements and Disclosures Topic of the FASB ASC, all financial instruments that are being measured and reported on a fair value basis must be disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

NEW ALBANY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

9. ASSETS AND LIABILITIES – FAIR VALUE INFORMATION (Continued)

Assets measured at fair value on a recurring basis at June 30, 2013 were as follows:

| Description | Total | Level 1 | Level 2 | Level 3 |
|--|---------------------|-------------|---------------------|-------------|
| Beneficial interest in assets held by others | \$ 9,746,355 | \$ - | \$ 9,746,355 | \$ - |
| Total | <u>\$ 9,746,355</u> | <u>\$ -</u> | <u>\$ 9,746,355</u> | <u>\$ -</u> |

Assets measured at fair value on a recurring basis at June 30, 2012 were as follows:

| Description | Total | Level 1 | Level 2 | Level 3 |
|--|---------------------|-------------|---------------------|-------------|
| Beneficial interest in assets held by others | \$ 8,135,295 | \$ - | \$ 8,135,295 | \$ - |
| Total | <u>\$ 8,135,295</u> | <u>\$ -</u> | <u>\$ 8,135,295</u> | <u>\$ -</u> |

The level 2 assets listed above were valued using the market approach and were determined using quoted market prices of similar assets and liabilities.

10. RETIREMENT PLAN

The Foundation has a 401(k) defined contribution plan that covers all eligible employees. Employees are eligible to participate in the Plan after one year of eligible service and working 1,000 hours in the year before eligibility. Employer contributions to the plan were based on 4% of base compensation for the years ended June 30, 2013 and 2012. Employer contributions totaled \$6,426 and \$4,814 for the years ended June 30, 2013 and 2012, respectively.

11. RECLASSIFICATIONS

Certain amounts for the year ended June 30, 2012 have been reclassified in these financial statements to conform to the June 30, 2013 presentation. These reclassifications had no effect on net income for that year.

12. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 7, 2013, which is the date the financial statements were available to be issued.